REMARKS

I.   Summary of the Office Action and this Reply

Claims 1-31 are pending. The Examiner has rejected claims 1-31 under 35 U.S.C. §103(a), asserting that such claims are obvious over U.S. Patent No. 7,149,713 to Bove et al. ("Bove") in view of U.S. Patent No. 7,016,870 to Jones et al. ("Jones").

In this Reply, claims 16, 17, 18, 22, 23, 24, 27 and 30 are amended.

II.   Response to 103 Rejections

A section 103 rejection is proper only if all claim limitations are taught or suggested by the cited art. MPEP §2143.

Claims 1, 2, 4-9, 13 and 15

Independent claim 1 is directed to a computer-implemented method of rebalancing a portfolio of assets to achieve optimality. Claim 1 stands rejected over Bove in view of Jones.

Bove discloses a computerized scheme automating investment planning for a client. Data regarding the client's desired asset allocation, etc. are used to automatically generate financial transaction recommendations for modifying the client's current asset portfolio to reach as close as possible to the desired asset allocation. The recommendations may include specific recommendations for selling amounts of selected current assets and specific recommendations for buying amounts of one or more funds. The recommendations are displayed on a summary report for review by the client or the client's financial manager, or the recommendations are electronically communicated to a

trade execution computer which automatically performs the necessary transactions to execute the buy/sell recommendations. See Abstract.

The claimed method includes "transmitting to a customer an alert message for alerting an imbalance status of a customer's portfolio, and a list comprising at least one recommended rebalancing transaction." The Examiner states that Bove does not disclose transmitting an alert message. Applicants agree. The Examiner asserts that Jones teaches a method and corresponding system for portfolio rebalancing comprising transmitting an alert message concerning rebalancing of the portfolio. More specifically, Jones discloses that if certain parameters are outside of a desired range, then "the user is notified that he/she should rebalance the portfolio," and that "when one or more new financial products become available to the user, the user may be alerted by the plan monitoring module 350 if, for example, a higher expected return may be possible at lower risk as a result of diversifying the current portfolio to include one or more of the newly available financial products." See col. 27, lines 23-28 and 51-56.

In addition, based upon the user's preference among decision variables, the Jones system may offer advice regarding which decision variable should be modified to bring the portfolio back on track to reach financial goals. In addition, the Jones system may recommend a reallocation to improve efficiency of the portfolio. In such an instance, Jones discloses that "[a]n alert may be generated to notify the user of the advice and/or need for affirmative action on his/her part." Col. 28, lines 24-37.

Accordingly, for example, a combination of Bove and Jones may provide an alert or notice for the user to access the system to view recommendations, etc. This is not what is claimed. The undersigned respectfully submits that the rejection is based upon

impermissible hindsight using information gleaned from applicant's disclosure. Neither Bove nor Jones, alone or in combination, teaches or suggests "transmitting to a customer an alert message for alerting an imbalance status of a customer's portfolio, and a list comprising at least one recommended rebalancing transaction."

For at least these reasons, reconsideration and withdrawal of the rejection of claim 1 are requested respectfully.

Additionally, claim 1 recites "each recommended rebalancing transaction comprising asset information identifying a specific asset, quantity information identifying a specific number of units of the specific asset, and transaction information comprising one of a buy instruction and a sell instruction." <u>Accordingly, each recommended rebalancing transaction is identified in the alert message sent to the customer.</u> Although the Bove system may prepare specific trading recommendations and/or forwarding specific trading instructions to a trade execution computer, neither Bove nor Jones, alone or in combination, teach or suggest sending such recommended rebalancing transaction information to a customer in an alert message, so that the customer may accept and initiate rebalancing with a single response, as discussed below.

Further, claim 1 recites "receiving from the customer a single response to the transmitted alert message; and automatically implementing the list comprising at least one recommended rebalancing transaction based on the received customer's response to cause execution of each recommended rebalancing transaction."

The Examiner asserts on page 3 of the action that Bove discloses "the customer's response constitutes performing a single action by the customer", citing, *inter alia*, col. 11, line 65- col. 13, line 5. The Examiner's attention is directed to the disclosure at col.

12

12, lines 15-25, which relates to the Auto Rebalancing button, which is understood to be the basis for the Examiner's assertion. As described therein,

> [t]he Auto Rebalancing button causes the system to run the auto rebal algorithm to determine how the customer's portfolio should be modified to meet the target portfolio. The results of Auto Rebal will be displayed in the Selected Funds window. The buy/sell amounts specified for the funds may be changed by the counselor.

Accordingly, use of the Auto Rebal button is not analogous to the single response recited in the claim; use of the Auto Rebal button is not a "response" of any kind. At most, use of the Auto Rebal button determines how the customer's portfolio should be modified, it does not result in execution of transactions; perhaps it generates a recommended list, which may be reviewed/modified by the counselor. In contrast, the list in the claimed invention is determined in advance, and then the alert message is sent that permits the customer to provide a single response to implement the recommended transactions identified in the alert message.

Pressing the Auto Rebal button after changes have been made in a list of transactions will not result in those transactions being executed; instead "[i]f this button is pressed after changes have been made in the Selected Funds window, these changes are lost." The Auto Rebal button is not analogous to the recited claim elements. Auto Rebal is part of the investment planning process, not the execution/approval process. See col. 12, lines 52-56.

Accordingly, claim 1 recites a method by which the system sends a list of rebalancing transactions to a customer via an alert message, and by which the system receives a single response, such as a single mouse click, from the customer and then automatically executes the listed rebalancing transactions to rebalance the portfolio.

Accordingly, each recommended rebalancing transaction and the necessary trading parameters are identified with specificity by the system - e.g., SELL, 500 shares, EXXON stock, and viewable by the customer within the alert message, which permits the customer to provide a single mouse click or other response to rebalance his portfolio by having the listed transactions executed.

For at least these reasons, reconsideration and withdrawal of the rejection of claim 1 are requested respectfully. Claims 2, 4-8 and 13-15 depend from claim 1 and are likewise patentable.

Claim 2 further recites that the transmitting of the alert message "is performed via a first customer-defined communications method." In other words, the customer selects/specifies a communications method. The Examiner acknowledges that this is not disclosed by Bove, but asserts that this is disclosed by Jones. Applicants respectfully disagree. While Jones discloses that an "alert may be displayed during a subsequent user session with the financial advisory system 100 and/or the alerts may be transmitted immediately to the user by telephone, fax, email, pager, fax, or similar messaging system" (col. 28, lines 30-38), Jones does not disclose that the particular method used is customer-defined; in other words, the method used may be defined by the system, on a per-system basis. For this additional reason, reconsideration and withdrawal of the rejection of claim 2 are requested respectfully.

Claim 3 further recites "automatically retransmitting the alert message . . . to the customer via a second customer-defined communications method if the step of transmitting via the first communications method was not successfully executed." The

cited art lacks any teaching of <u>automatically retransmitting an alert message to the</u> <u>customer via secondary method</u> if a first communication is not successfully executed.

Claim 4 recites that the customer's response constitutes performing a single action by the customer. This is not analogous to use of the Auto Rebal button, as discussed above. Further, claim 4, when read in conjuction with claim 1, relates to "receiving from the customer a single response to the transmitted alert message; and automatically implementing the list comprising at least one recommended rebalancing transaction based on the received customer's response to cause execution of each recommended rebalancing transaction." This is simply neither taught nor suggested by Bove and/or Jones; neither Bove nor Jones teaches transmission of an alert message and execution of transactions listed in an alert message based on the customer's response to the alert message. For this additional reason, reconsideration and withdrawal of the rejection of claim 4 are requested respectfully.

For at least these reasons, the claimed invention is neither taught nor suggested by the cited art. Reconsideration and withdrawal of the rejection of claims 1, 2, 4-8, 13 and 15 are requested respectfully.

Claims 10-12 and 14

Claims 10-12 and 14 depend from claim 1 and are likewise patentable.

Claim 10 recites that the customer's response that results in automatic implementation of the list of rebalancing transactions is "<u>contained in a return e-mail</u> <u>from the customer</u>, wherein the return e-mail includes a transaction number identifying

the list of recommended rebalancing transactions." This is neither taught nor suggested by the cited art, <u>and the Examiner has not asserted to the contrary</u>.

Claim 11 recites that the customer's response is received on paper and includes an optical code for retrieving the list of recommended rebalancing transactions. Jones is devoid of any disclosure involving such an optical code. This is neither taught nor suggested by the cited art, <u>and the Examiner has not asserted to the contrary</u>.

Claim 12 recites that the customer's response is received as a voice sound that is recognized using a voice recognition device. This is neither taught nor suggested by the cited art, <u>and the Examiner has not asserted to the contrary</u>.

Claim 14 recites that the customer's response is received from a financial Kiosk. . This is neither taught nor suggested by the cited art, <u>and the Examiner has not asserted to the contrary</u>.

For at least these reasons, the claimed invention is neither taught nor suggested by the cited art. Reconsideration and withdrawal of the rejection of claims 10-12 and 14 are requested respectfully.

Claims 16-28

Independent claim 16 recites a second unit for transmitting the alert message and the list of <u>a plurality of</u> recommended rebalancing transactions to the customer, receiving a single response of the customer to the transmitted alert message, and automatically implementing the list of <u>multiple transactions</u> based on the received customer's response. Thus claim 16 is patentable for reasons similar to those set forth above for claim 1.

Claims 17 and 18 depend from claim 16 and are likewise patentable. Claim 18 is further patentable for reasons similar to those set forth above for claim 3.

Claims 19, 20 and 21, 22, 23, 24 and 25 are patentable for reasons similar to those set forth above for claims 4, 5, 6, 9, 10, 11 and 12, respectively.

Claims 26, 27 and 28 are patent for reasons similar to those set forth above for claims 13, 14 and 15.

Reconsideration and withdrawal of the rejection of claims 16-28 are requested respectfully.

Claims 29-31

Independent claim 29 includes recitations similar to those of claim 1, particularly with respect to the single response and automatic performance of predetermined transactions in response to the single response, and is likewise patentable.

Claim 30 further includes transmitting a list of predetermined transactions to the user, and thus is patentable for reasons similar to those set forth for claim 1.

Claim 31 depends from claim 29 and is likewise patentable.

Reconsideration and withdrawal of the rejection of claims 29-31 are requested respectfully.

CONCLUSION

In view of the foregoing amendments and remarks, Applicants believe claims 1-31 to be patentable and the application in condition for allowance, and request

respectfully issuance of a Notice of Allowance. If any issues remain, the undersigned

requests a telephone interview prior to the issuance of an action.

Respectfully submitted,

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